

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 6308
OFFERED BY MR. CAPUANO OF MASSACHUSETTS**

Page 7, after line 22, insert the following new section (and redesignate succeeding sections and any references to such sections, accordingly):

1 SEC. 202. SEPARATE RESERVES.

2 (a) REQUIREMENT.—Each entity that insures or
3 guarantees the payment of any portion of the principal
4 and interest of any municipal obligation shall maintain re-
5 serves for insurance or guarantee of such obligations that
6 are—

7 (1) held separately from any other assets or re-
8 serves of the entity, including any reserves for any
9 other asset-backed obligations insured or guaranteed
10 by such entity; and

11 (2) not available to cover insurance or guar-
12 antee of any other bonds or debt obligations insured
13 or guaranteed by such entity, or for payment of any
14 other liability of such entity.

15 (b) LIMITATION ON USE.—Notwithstanding any pro-
16 vision of Federal, State, or local law, in the liquidation,
17 rehabilitation, conservation, receivership, dissolution, or

1 any other comparable action against any entity described
2 in subsection (a), the liquidator, rehabilitator, conservator,
3 receiver, or other party with authority over the assets of
4 such entity shall only use the assets held separately pursu-
5 ant to subsection (a) for the sole and exclusive purpose
6 of paying claims on insurance or guarantees of the pay-
7 ment of the principal and interest of municipal obligations.

